

**Statement by the Chair of the Intergovernmental Negotiating
Body of the Framework Convention on Tobacco Control,
Ambassador Luiz Felipe de Seixas Corrêa, at the International
Conference on Illicit Tobacco Trade (*New York, July 30, 2002*)**

Distinguished Delegates,
Ladies and Gentlemen,

In my capacity as Chair of the International Negotiating Body (INB) of the Framework Convention on Tobacco Control (FCTC), I welcome this opportunity to address the International Conference on Illicit Tobacco Trade. I commend the United States Government for taking the initiative of convening this Conference, which has the support of the World Health Organization. I am confident that it can play an important role in advancing the work of the FCTC as regards illicit tobacco trade.

On July 16, following the decision taken at the last session of the INB, I released a new Chair's text for the proposed FCTC. Let me take this opportunity to share with you a few thoughts on the FCTC negotiations and on this Conference on Illicit Trade.

Thanks to the initiative of Dr. Gro Brundtland, the FCTC has been negotiated in Geneva, under the auspices of the World Health Organization, for almost two years now. It is a unique and innovative public health instrument that aims at curbing the tobacco pandemic by setting up standards and establishing a global framework for international cooperation on tobacco control. We are striving to establish a global regulatory framework for action at the national and international levels on a matter that has deep implications for public health worldwide.

When in force, the FCTC will stimulate, organize and supplement national policies as well as put in place a multilateral system designed to combat the tobacco pandemic. It represents a global response to a global menace, requiring, as has been the case in other areas, the development of conventional international law. It represents a valuable opportunity to save millions of lives and to afford future generations the full enjoyment of their right to health. Its successful completion and adoption would herald a new era in the field of international cooperation. Since it will cover an area which so far has been mainly in the internal domain of States, it will set high standards for the evolving multilateral system of the 21st century . It will be extremely important from the public health

perspective, that constitutes, one should always emphasize, its main objective. But it will certainly be relevant also from a global political perspective for it will enhance multilateralism over unilateralism in meeting global challenges.

Today, almost half of men, 48%, and 12% of women smoke. Tobacco is responsible every year for more than 4 millions deaths worldwide. It has been scientifically proven that tobacco causes over 20 categories of fatal and disabling diseases, including lung cancer, and cardiovascular and chronic respiratory diseases. Despite all this evidence, tobacco consumption continues to grow. According to WHO estimates, if we do not act now, the number of tobacco-related deaths will increase in the next 20 years from the current 4 million a year to 10 million a year - 70% of those deaths could occur in developing countries.

In the four negotiating sessions of the FCTC so far, we were able to make substantial progress, discussing a range of proposals for the various areas covered in the Convention. The FCTC process has also given significant impulse to policies at country level: national commissions have been set up; national tobacco control programs have been created. These are vital initiatives to assess needs and propose solutions to face the public health burden that result from

tobacco consumption. Surveys indicate that there is strong public support coming from non-smokers and smokers alike for governmental and international tobacco control policies.

The new Chair's text that I issued under the responsibility assigned to me by the INB covers all the areas originally contemplated and will constitute the basis for the next round of negotiations in October. Our challenge henceforth will be to move the process speedily ahead in order to meet our final objective of having a Convention ready for adoption by the next World Health Assembly, in May 2003.

In drafting the text, I tried to incorporate, as much and as faithfully as I could, the large amount of proposals and ideas put forward during the negotiating process. Under the mandate that I received, I tried to devise a text that would be relevant and effective for the purposes it was intended, while representing a coherent whole, capable of significantly expanding the limits of what is desirable and necessary in terms of tobacco control into the realm of the possible.

It is my earnest hope that the text will be understood and looked upon in this manner and that delegations will find it possible to take it as a sound basis for the remainder of the negotiations. The

moment has indeed come in the negotiating process where we must all jointly apply our imaginations and skills towards textual outcomes that will reflect generally acceptable relevant formulations so that, without compromising its core objectives, the FCTC will be able to command universal adherence. I am convinced that this is the best way to serve the purposes for which this process was set in motion.

One of the central issues of the negotiations is, of course, illicit trade of tobacco products. Smuggled and counterfeited tobacco products, especially cigarettes, are sold at a lower price, making them available cheaply, thereby stimulating consumption and undermining efforts to keep youngsters from smoking. A second reason of concern is that contraband and illicitly manufactured tobacco products evade legal restrictions and health regulations, such as selling to minors, labeling requirements, and regulations on additives.

Illicit trade also has deleterious consequences in other areas. It deprives government treasuries of tax revenues. It engenders the development of organized crime networks, thus increasing the general level of corruption and insecurity. That is why illicit trade of tobacco products has become a major concern not only for the

World Health Organization but also to other international bodies such as the World Customs Organization, the World Bank, the International Monetary Fund and the International Criminal Police Organization (Interpol).

Available data show that illicit tobacco trade is a global problem, occurring in all parts of the world, even in regions where taxes are low. Some indications suggest that there has been a continued growth in illicit trade in recent years. Smuggling and counterfeiting would now account for a minimum of 8% of the world cigarette consumption. Up to one third of legal cigarette exports may disappear into the contraband market.

In order to successfully tackle this question, a great deal of international collaboration will be required. When in force, the FCTC should be able to effectively contribute to controlling the illicit trade of tobacco products globally. It will establish an international monitoring mechanism to build up on all aspects of tobacco control: the Conference of the Parties to the Convention, that will ensure follow-up, enforcement and further development of its provisions, including illicit trade.

In the new Chair's text of the FCTC and on the basis of proposals received from delegations, I attempted to define illicit trade as "any practice not authorized by law, relating to the production, holding, handling, movement, or sale of tobacco products". The proposed text for illicit trade is contained in article 15 of the new Chair's text. It lays down a series of measures, including markings and warnings in national languages, to enable tracking the origin and end market destination of tobacco products. National systems to monitor, collect and exchange information with other countries on cross-border trade are also envisaged. In addition to article 15, other provisions of the FCTC touch upon several aspects that have direct impact on illicit trade, such as tax policies, phasing out of duty-free sales and prohibition of sales to minors, as well as packaging and labeling regulations.

There has been considerable discussion throughout the FCTC negotiating process on the possible adoption of an early protocol to the Convention on the area of illicit trade. The negotiation of such a protocol could conceivably be initiated before or immediately after the final completion of the FCTC, taking advantage of the INB structure in the period prior to the entry into force of the Convention. However, more discussion is still needed on this

timeframe. The next session of the INB in October will revisit the issue.

This Conference provides an excellent opportunity to have an in-depth discussion among WHO member-States regarding all aspects of illicit tobacco trade, thereby generating relevant inputs to the FCTC process.

The issues at stake are clear. Effective measures to eliminate illicit trade of tobacco products will reduce crime and increase government revenue. But above all, they should advance the public health cause by keeping cheap and unregulated tobacco products out of the hands of consumers, particularly children and adolescents.

Let me conclude by reiterating my appreciation for the Government of the United States of America for this timely initiative. I wish you all a successful and meaningful Conference.

Thank you very much.